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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☒ Affects Pacific Gas and Electric Company
☐ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)

(Jointly Administered)

Related Docket Ref: Docket No.: 1599

**STIPULATION BETWEEN THE
DEBTORS AND mNOC AERS LLC
TO PERMIT TERMINATION OF
CAPACITY STORAGE AGREEMENT**

[No Hearing Date Requested]

1 Pacific Gas and Electric Company (the “**Utility**”), as debtor and debtor in
2 possession in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), and mNOC AERS
3 LLC (“**mNOC**”), by and through their respective counsel, hereby submit this stipulation (the
4 “**Stipulation**”), for an Order approving their agreement to allow for the termination of that certain
5 Behind the Retail Meter Capacity Storage Agreement, dated June 1, 2018 (as amended by letter
6 agreements dated October 11, 2018 and November 27, 2018, collectively, the “**Agreement**”)
7 between mNOC, on the one hand, and the Utility, on the other hand, and to the extent applicable,
8 the modification of the automatic stay pursuant to section 362 of title 11 of the United States
9 Code (the “**Bankruptcy Code**”), and represent and agree as follows:

10 **RECITALS**

11 A. On January 29, 2019 (the “**Petition Date**”), PG&E Corporation and the
12 Utility (collectively, the “**Debtors**”) commenced the Chapter 11 Cases in the United States
13 Bankruptcy Court for the Northern District of California (the “**Bankruptcy Court**”).

14 B. On April 22, 2019, mNOC filed a *Motion and Memorandum of Points and*
15 *Authorities of mNOC AERS LLC for Entry of an Order Confirming Safe Harbor Protection*
16 *Under 11 U.S.C. §§ 362(b)(6) and 556* [Dkt. No. 1599] (together with the Declaration filed in
17 support thereof [Dkt. No. 1600], collectively, the “**Safe Harbor Motion**”), and an accompanying
18 Motion to File Under Seal [Dkt. No. 1596], seeking an Order of the Court confirming that, inter
19 alia, the safe harbor provisions of sections 362(b)(6) and 556 of the Bankruptcy Code apply to
20 permit mNOC to exercise its contractual rights to terminate the Agreement without obtaining
21 relief from the automatic stay;

22 C. The Utility has raised with mNOC certain informal objections to the relief
23 requested in the Safe Harbor Motion.

24 D. The parties hereto desire to resolve their issues regarding the Safe Harbor
25 Motion and the Agreement.

26 E. The Official Committee of Unsecured Creditors and the Official
27 Committee of Tort Claimants have each reviewed the Stipulation and have no objection to the
28 agreements set forth herein or to entry of an Order approving the terms of the Stipulation.

1 NOW, THEREFORE, UPON THE FOREGOING RECITALS, IT IS
2 HEREBY STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES, THROUGH
3 THE UNDERSIGNED, AND THE PARTIES JOINTLY REQUEST THE COURT TO ORDER,
4 THAT:

5 1. This Stipulation shall have no force and effect unless and until approved by
6 the Bankruptcy Court (the date of entry of an Order approving the Stipulation, the “**Approval**
7 **Date**”).

8 2. Upon the Approval Date, to the extent applicable and subject to the
9 reservations set forth in this Stipulation, the parties hereto agree that the automatic stay under
10 section 362 of the Bankruptcy Code shall be modified solely to the extent necessary to authorize
11 (but not direct) mNOC to exercise its contractual right to terminate the Agreement in accordance
12 with, and pursuant to, the express terms and provisions of the Agreement. The time in which
13 mNOC must provide notice of the exercise of any contractual right under the Agreement as set
14 forth herein shall begin to run on the Approval Date.

15 3. Upon the Approval Date, each of the parties hereto agrees that it shall not
16 be entitled to assert any claim for damages against the other arising out of or relating to mNOC’s
17 exercise of its contractual rights with respect to the Agreement as set forth herein, provided
18 however that nothing in this Stipulation shall prejudice or release any claim that mNOC may
19 assert for the return and release of any collateral it has pledged (or will pledge at any time
20 hereafter) with respect to the Agreement.

21 4. Within three (3) business days of the Approval Date, mNOC shall
22 withdraw the Safe Harbor Motion, with prejudice.

23 5. This Stipulation shall be binding upon (i) any liquidating trustee, plan
24 administrator, distribution agent, and/or any other responsible person appointed pursuant to any
25 chapter 11 plan confirmed in the Chapter 11 Cases; (ii) any chapter 11 trustee appointed in these
26 Chapter 11 Cases, and/or (iii) any chapter 7 trustee appointed or elected in these cases.

1 6. This Stipulation and the Agreement shall constitute the entire agreement
2 and understanding of the parties relating to the subject matter hereof and supersede all prior
3 agreements and understandings relating to the subject matter hereof.

4 7. This Stipulation may be executed in counterparts, each of which shall be
5 deemed an original but all of which together shall constitute one and the same agreement.

6 8. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or
7 controversies arising from this Stipulation.

8
9 DATED: May 10, 2019

10 ORRICK, HERRINGTON & STUCLIFFE LLP

11 /s/ Thomas C. Mitchell
12 Thomas C. Mitchell (CA 124438)
13 Debra L. Felder
14 Attorneys for Party in Interest
 mNOC AERS LLC

15 DATED: May 10, 2019

16
17 WEIL, GOTSHAL & MANGES LLP

18 /s/ Matthew P. Goren
19 Matthew P. Goren (pro hac vice)
20 Attorneys for Debtors
 and Debtors in Possession